

Independent Pricing and Regulatory Tribunal  
New South Wales

# Minimum rate increase above statutory limit Application Form - Part B

**For 2019-20**

**Insert Name of Council:**

Date Submitted to IPART: 19<sup>th</sup> February 2019

Council Contact Person: Greg Hayes



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## Tribunal Members

The Tribunal members for this review are:

Dr Peter J Boxall AO, Chair

Mr Ed Willett

Ms Deborah Cope

Enquiries regarding this document should be directed to a staff member:

Scott Chapman      (02) 9290 8449



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# 1 Introduction

This form is to be completed by a council that is applying to introduce or increase minimum amounts of ordinary or special rates above the statutory limits under section 548 of the *Local Government Act 1993* (NSW).

IPART assesses each application against the criteria set out in the Office of Local Government (OLG) *Guidelines for the preparation of an application to increase minimum rates above the statutory limit* (the [Guidelines](#)). Councils should refer to these Guidelines before completing this application form.

Councils intending to submit an application should have notified IPART by 30 November 2018 of their intention to apply to increase minimum rates.

**Any councils that did not notify but intend to apply to increase minimum rates for 2019-20 should contact us as soon as possible.**

This part of the application (Part B) must be completed in conjunction with *Minimum Rate Increase above Statutory Limit Application Form 2019-20 – Part A*.

As outlined in the Guidelines, new councils created in 2016 (apart from Mid-Coast Council) will be ineligible for minimum rate increases for the 2019-20 rating year.

## When does a council need to make an application to increase minimum rates?

A council must apply for a minimum rate increase if the effect of increasing the minimum amount of an ordinary or special rate causes the minimum to exceed the statutory limit for the first time. The 2019-20 statutory limit on the minimum amount that may be specified by a council when levying an ordinary rate is \$540, effective 1 July 2019.<sup>1</sup> The minimum amount of a special rate is \$2.

However, if a council is proposing a special variation and minimum amount increase in the same rating year/s, it may submit a combined special variation and minimum rate application. This also applies to a council that is proposing to increase its minimum rates by more than the proposed special variation percentage or the rate peg. In both cases, the council must clearly address the criteria for the minimum rate increase in its special variation application.

A separate minimum rate application form is only necessary when a council:

- is proposing increases to the minimum amount of an ordinary rate so that it exceeds the statutory limit **for the first time**, and

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<sup>1</sup> *Local Government (General) Regulation 2005*, cl 126, based on an increase of 2.7%, in line with the rate peg for 2019-20.

- is not otherwise proposing increases to its general rates by applying for a special variation, and/or
- is proposing increases to the minimum amount of a special rate above the statutory limit without proposing a special variation application.

Councils submitting this application Form Part B should complete it in conjunction with the Application Form Part A for Minimum Rate Increase. Councils making a special variation application are generally encouraged to apply the same percentage increase to minimum rates and maintain the same relative distribution of the rating burden between payers of minimum rates and other ratepayers that was levied in the previous year. However, in some circumstances, it may be necessary for the council to apply a lower or higher percentage increase to minimum rates than the requested increase in general income.

## Completing the application form

To complete this Part B form, insert the council's response in the boxes and the area which is highlighted, following each section or sub-section. The council may also submit supporting documents, including confidential ones, as attachments to the application. Supporting information should be relevant extracts of existing publications rather than full publications. Please provide details of how we can access the complete publication should this be necessary.

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

- ▼ Section 2 – Criterion 1: Rationale for the proposed minimum rate increase
- ▼ Section 3 – Criterion 2: Impact on ratepayers
- ▼ Section 4 – Criterion 3: Consultation with the community
- ▼ Section 5 – Council resolution
- ▼ Section 6 – Checklist of attachments
- ▼ Section 7 - Certification.

It is the council's responsibility to provide sufficient evidence to support its application. Where applicable, councils should refer to the relevant Integrated Planning and Reporting (IP&R) documents to demonstrate how the criteria of assessment have been met.<sup>2</sup>

## Submitting your application

All councils intending to apply for a minimum rate increase must use the [Council Portal](#) on IPART's website to register as an applicant council and to submit an application.

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<sup>2</sup> OLG, *Guidelines for the preparation of an application to increase minimum rates above the statutory limit*, October 2018, p9.



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You are required to submit the application, via the Council Portal, by **Monday 11 March 2019**.

The [User Guide](#) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact:

Arsh Suri - [Arsh\\_Suri@ipart.nsw.gov.au](mailto:Arsh_Suri@ipart.nsw.gov.au) or 02 9113 7730

File size limits apply on the Council Portal. The limit for the Part B application form is 10MB. The limit for supporting documents is 70MB for public documents and 50MB for confidential documents. We generally request supporting documents of the same type to be combined and most supporting document categories have a maximum number of 5 documents allowed. These file limits should be sufficient for your application. Please contact us if they are not.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART are redacted so that they do not expose confidential content.

Councils should also post their application on their own website for the community to access.

## 2 Criterion 1: Rationale for an increase in minimum rates

In the Guidelines, criterion 1 requires IPART to assess applications against:

*The rationale for increasing minimum rates above the statutory amount.*

The council needs to explain why it is seeking to introduce or increase minimum rates above the statutory limit and how the proposed minimum rates are to be applied. Applications are to indicate both the benefits and drawbacks of the proposed changes to the rating structure. Councils are required to explain the impact of the increase on the ratepayers who will be on the minimum rate, and the rationale for such changes.

### **What Council is Seeking**

Sutherland Shire Council has submitted a Special Rate Variation to increase rates under Section 508(2) of the Local Government Act 1993 (NSW) which will increase rates for 2019/20 by 8.84% (inclusive of the rate pegging limit of 2.70%). The variation is to be applied through the increase in minimum rates from the incremented level of \$618.56 (based on application of the 2019/20 rate pegging limit) to \$900.00. All other residential properties above the proposed minimum rate will only have the rate pegging limit applied.

### **Rationale for increasing Minimum Rates**

The rationale behind requesting to increase the minimum rate is to improve Council's financial sustainability and provide additional funding for infrastructure renewals that in turn will address a deteriorating portfolio of Sutherland Shire Council assets. The proposed SRV is for the purpose of enhancing Council's financial sustainability which will lead to reduced operating deficits and enabling additional infrastructure renewals to reduce the current infrastructure backlog of \$42 million (2017/18) which is forecast to increase to \$114.4 million (4.43%) by 2028/29.

The proposal to increase minimum rates only within the proposed rating structure attempts to reflect equity in contribution to Council services amongst all residents of the Sutherland Shire by realigning the amount paid by apartments/units compared with rates paid by the average house. Australian Bureau 2016 Census data shows that on average units within the Sutherland Shire have an average occupancy of two persons compared to houses which have an occupancy of three persons. The proposal to allocate the increase from the SRV to units is to equate the average rate for a house of \$1,480 (3 persons) to that of a unit at \$900 (2 persons).

Ratepayers in apartment/units have a similar number of occupants to an average house but pay considerably less rates for the same provided Council services. In accordance with ABS 2016 Census of Population and Housing Sutherland Shire LGA G32 Dwelling Structure, units in the Sutherland Shire have an average occupancy of two persons compared with houses which have an occupancy of three persons. Rates for an average apartment/unit are less than half of that paid by an average dwelling owner. The average detached house within the

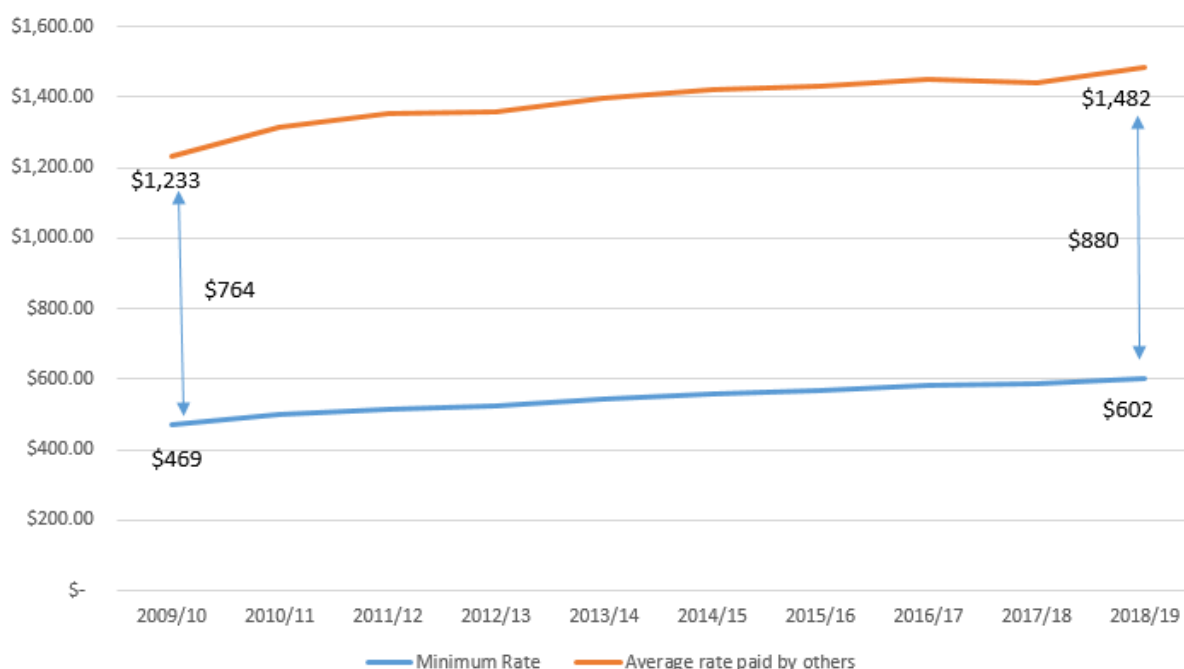
Sutherland Shire Council LGA pays \$1,480 in rates. The proposed structure attempts to eliminate this inequity by increasing the proportion of rates paid by units to less than 66.67% of an average house, or \$900.

A further comparison of minimum rates for apartment/ units in the Sutherland Shire are lower than other similar beach or bayside Councils, as listed below:

Councils	Minimum annual rate for apartment units (2018/19)
<b>Sutherland</b>	<b>\$602.30</b>
Randwick	\$805.68
Manly	\$816.76
Pittwater	\$884.58
Kogarah	\$917.47
Warringah	\$970.93

A minimum of \$900 would be more in line with that paid by similar beach or bayside councils which are required to provide a similar range and level of service to both residents and visitors.

The rate pegging limit has increased the gap between the minimum rates and the average rates paid for other residential properties between 2009/10 and 2018/19. In 2009/10, the average rate paid by the average detached dwelling was \$1,233 compared to a minimum rate of \$469, a gap of \$764. In 2018/19 this gap has increased to \$880 (an increase of 15.18%) with minimums set at \$602 and other residential properties contributing \$1,482.



### **The Impact on Ratepayers who will be on the Minimum Rate**

Council's Rate Structure is based on an ad valorem rate in the dollar, subject to a minimum rate for residential and each business sub category. Council has the same minimum rate for each business subcategory and residential properties. Under the current rates structure the minimum rate would increase by the rate peg of 2.7% from \$602.30 to \$618.56 for residential and all business sub categories.

Under the proposed structure the minimum rate is proposed to increase to \$900.00 for residential and all business sub categories.

Increasing the minimum rates to \$900 would result in the following increases in rates for 2019/20:

Category	Base Model - 2.7% increase to Minimum Rate	Proposed Minimum	Increase	increase per week
Business Caringbah Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Cronulla Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Engadine Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Kurnell Finished Fuel Terminal Facility	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Kurnell Industrial Rate	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Kurnell Sand Mining	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Menai Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Menai Quarrying and Filling	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Miranda Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Miranda Core Major Shopping Complex	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Ordinary Rate	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Sutherland Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Business Sylvania Southgate Commercial Centre	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41
Residential Rate	\$ 618.56	\$ 900.00	\$ 281.44	\$ 5.41

All other properties who are not subject to a variation in the minimum rate will increase by the rate peg, with the exception of the subcategory Miranda Core Major Shopping Centre which will increase by 2.7% plus the catch up allowance of 0.08%. Residential properties, not subject to the minimum rate will only increase by the rate peg of 2.70%.

The maximum increase above rate pegging that any one individual property owner would be subject to is \$281.44 under the proposed SRV.

### 3 Criterion 2: Impact on ratepayers

In the Guidelines, criterion 2 requires the council's application to include an analysis of:

*The impact on ratepayers, including the level of the proposed minimum rates and the number and proportion of ratepayers that will be on the minimum rates, by rating category or subcategory.*

In Part A of the application, the council is to provide details of the current minimum rates and proposed increases in minimum rates and the number of ratepayers affected.

The council's application is to explain how it will manage the impact on ratepayers and why it considers the proposed increase in minimum rates to be fair and equitable.<sup>3</sup>

In this section councils should comment on:

- ▼ the extent to which the new minimum rates exceed the equivalent ad valorem rates that would apply in the absence of the minimum rates
- ▼ the overall impact on ratepayers resulting from the proposed increase
- ▼ affected ratepayers' capacity to pay the higher level of rates, overall and by each rating subcategory
- ▼ steps that have been taken to distribute the rate burden equitably
- ▼ the council's Hardship Policy (please attach a copy), and
- ▼ any additional hardship provisions that relate to the proposed minimum rates.

In considering capacity to pay, you may want to consider how your socioeconomic profile and other relevant measures of capacity to pay relate to those for comparable councils. We will also review various socioeconomic indicators, particularly as they relate to those for comparable councils in your OLG grouping.

#### **Extent to Which Proposed Minimum Exceed the Equivalent Ad Valorem Rates**

Sutherland Shire Council current Rate Structure is based on an ad valorem rate in the dollar, subject to a minimum rate for residential and each business sub category. Council has the same minimum rate for each business subcategory and residential properties. Under the current rates structure the minimum rate would increase by the rate peg of 2.7% from \$602.30 to \$618.56 for residential and all business sub categories.

The impact on ratepayers who are either currently on the minimum rate or will increase to the minimum rate is considered to be a more relevant consideration as Council is not contemplating a move to a straight ad valorem rating structure. This is detailed in the next section of this criteria.

<sup>3</sup> Attachment 1 of the Guidelines discusses principles of rating, including fairness and equity.

Part A Worksheet 2 of the Minimum Rate Increase Application compares the proposed minimum rate to the equivalent ad valorem rate that would apply in the absence of the minimum rate. This is summarised in the table below:

Land Value Range (for assessment numbers)	No. of ordinary residential property assessments	Land value (for calculation of rates)	Ad valorem rate	Minimum rate	Minimum rate as % of ad valorem rate
	2018-19		2019-20	2019-20	2019-20
\$0 to \$99,999	2,102	\$50,000	98.48	900.00	914%
\$100,000 to \$199,999	8,928	\$150,000	295.45	900.00	305%
\$200,000 to \$299,999	8,803	\$250,000	492.41	900.00	183%
\$300,000 to \$399,999	5,058	\$350,000	689.38	900.00	131%
\$400,000 to \$499,999	3,790	\$450,000	886.34	900.00	102%
\$500,000 to \$599,999	9,085	\$550,000	1,083.31	900.00	83%
\$600,000 to \$699,999	12,982	\$650,000	1,280.27	900.00	70%
\$700,000 to \$799,999	11,498	\$750,000	1,477.24	900.00	61%
\$800,000 to \$899,999	6,669	\$850,000	1,674.20	900.00	54%
\$900,000 to \$999,999	3,557	\$950,000	1,871.17	900.00	48%
\$1,000,000 to \$1,499,999	7,689	\$1,250,000	2,462.06	900.00	37%
\$1,500,000 to \$1,999,999	1,404	\$1,750,000	3,446.89	900.00	26%
\$2,000,000 to \$2,999,999	610	\$2,500,000	4,924.13	900.00	18%
\$3,000,000 and greater	111	\$3,000,000	5,908.95	900.00	15%

### Impact on Ratepayers

In 2019/20, 20,625 residential properties and 1,493 business properties will be subject to the minimum rate if there is no increase in the minimum rate other than the rate pegging limit. Council's proposal to increase the minimum rates to \$900 will see 27,090 residential properties (up by 6,465) and 2,034 business properties (up by 541) subject to the minimum rate.

Currently residential properties with a valuation of less than \$314,046 are subject to the minimum rate. Council's proposal will increase this figure to \$456,934.

For ordinary business rates (some sub categories of rates are different, but this is the majority) properties with a valuation below \$142,758 are subject to the minimum and this would increase to \$207,711 under the SRV proposal.

Detail of the changes in the number of properties is contained in the table below:

	Min Rate of \$618.56 2019/2020 No SRV	Proposed Min Rate of \$900 2019/2020	Increase is number of properties on the minimum
Business Caringbah Commercial Centre	72	81	9
Business Cronulla Commercial Centre	54	80	26
Business Engadine Commercial Centre	54	86	32
Business Kurnell Finished Fuel Terminal Facility	1	1	-
Business Kurnell Industrial Rate	1	2	1
Business Kurnell Sand Mining	0	0	-
Business Menai Commercial Centre	24	37	13
Business Menai Quarrying and Filling	0	0	-
Business Miranda Commercial Centre	112	165	53
Business Miranda Core Major Shopping Complex	0	0	-
Business Ordinary Rate	1,029	1406	377
Business Sutherland Commercial Centre	146	176	30
Business Sylvania Southgate Commercial Centre	0	0	-
Residential Rate	20,625	27090	6,465
Total	22,118	29124	7,006

The breakdown of properties into various ownership types that will be subject to the minimum rate under both the rate peg and the proposed SRV is:

	Rate Peg		SRV	
	Number	%	Number	%
Deemed investor properties *	6,737	32.66	8,097	29.89
Department of Housing	119	0.58	161	0.59
Pensioner owned properties	2,293	11.12	3,450	12.74
Other properties	11,476	55.64	15,382	56.78

The maximum increase above rate pegging that any one individual property owner would be subject to is \$281.44 under the proposed SRV.

### **Affordability and Capacity to Pay – Residential**

Council has formed the view that the SRV increases are affordable for Council ratepayers. This is based on a number of statistical socio-economic measures.

#### **Housing Tenure**

The 2016 Census revealed that housing ownership (purchasing or fully owned) within the Sutherland Shire is 74%. This compares with the Greater Sydney rate of 59%. 17.6% were renting privately and 2.6% in social housing.

The median monthly mortgage repayment was \$2,600 and median weekly rent \$450.

#### **Household Income**

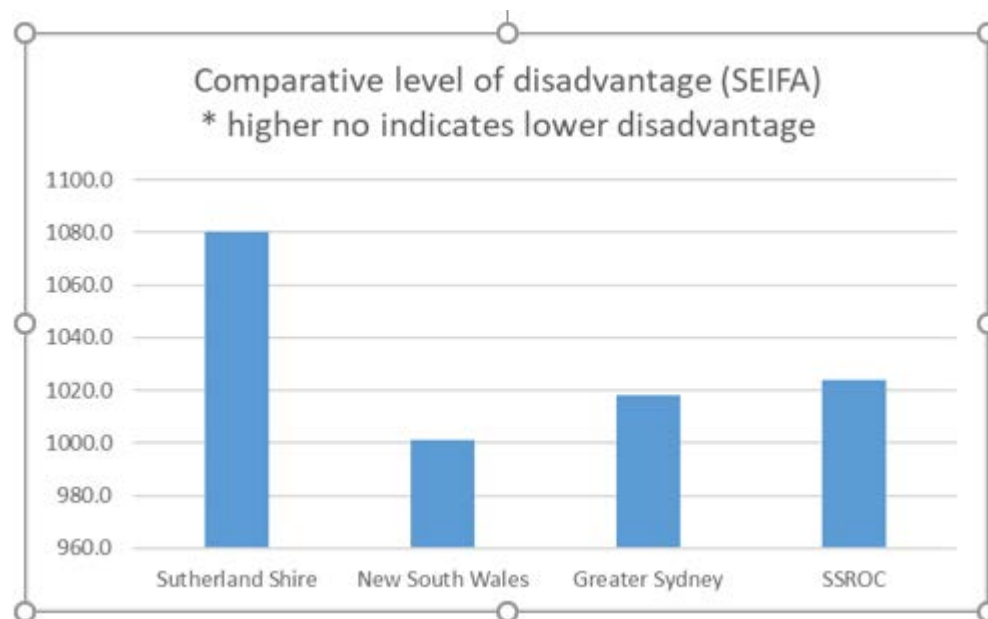
The median weekly household income in the LGA is \$1,975 (2016 Census). This is 13% higher (\$230) than in Greater Sydney and 11% higher (\$192) than that within the neighbouring areas (Southern Sydney Region of Councils - SSROC).

#### **Employment Status**

The current level of unemployment is only 3.5% compared with a rate of 6% across Greater Sydney.

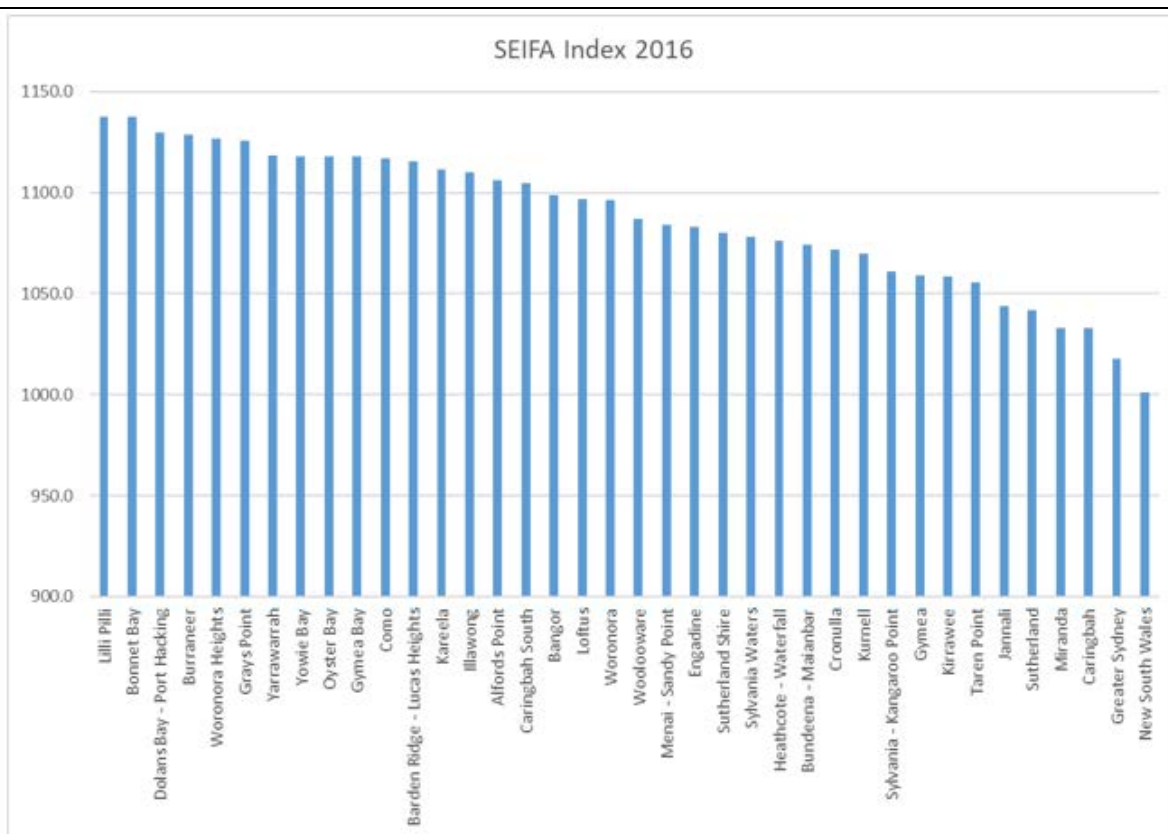
#### Socio-Economic Indexes for Areas (SEIFA)

The SEIFA for the Sutherland Shire of 1,080 reflects a very low level of socio-economic disadvantage in comparison to the whole of New South Wales, Greater Sydney and SSROC:



A SIEFA of 1,000 is considered average, whilst a lower score indicates that the area is experiencing more disadvantage. Whilst the area reflects some variation when looked at by suburb, no suburb within the Shire falls below 1,000:





### Outstanding Rates

The Rates and Annual Charges Outstanding Ratio assesses efficiency of Council's recovery of rates and is also reflective of resident's ability to pay.

The ratio for the past three years has been steady, between 3.56% and 3.59%, well below the industry benchmark of 5%.

The amount outstanding includes around \$2 million due but not pursued under Council policy. This amount is attributable to eligible pensioners and those who have payment arrangements under financial hardship. Council does not undertake recovery action in these situations.

This amount contributes around 230 basis points to the ratio, meaning that discounting this amount reduces the ratio to less than 1.50%, reflecting a high capacity to pay across the Sutherland Shire.

### Affordability and Capacity to Pay – Business

Council undertook a Business Survey in 2018, the results of which indicate that the Sutherland Shire business community could support the proposed increase through turnover, opportunities and confidence. Relevant highlights from the survey include:

- We have a business community with significant turnover – mean annual turnover \$544K in 2017/18, an increase of 40.21% from \$388K in 2015/16;

- Our business community is predicting a further increase in 2019/20 with mean annual turnover predicted at \$578K (an increase of 6.25%);
- 78% of businesses see growth opportunities in the next five years mainly from utilising population growth, nearby developments and creating larger customer base;
- Only 22% of businesses don't see opportunities for growth in the next 5 years;
- Between 2016 and 2018 the growth in fulltime employment has been 9%, which has mainly come from a replacement of contractors and consultants reflecting business confidence;
- 52% of businesses indicated they have plans to add more staff in the next two years with 20% coming from full time employees.

### **Willingness to Pay**

The community research undertaken in 2017 explored the community's priorities and expectations for service level and obtained feedback on a range of financial strategies to address the growing asset backlog, including increasing rates.

Key findings from this included:

- 76% of residents believe that the amount of rates paid should be fairer between houses and units/apartments
- 68% believe Council should reduce the gap between rates charged for houses and units/apartments
- There was a higher level of support for increasing the minimum rate than a blanket increase
- When presented with the comparison Sydney rate values, increasing the minimum to \$955 was considered to represent a fair distribution (mean across weighted samples of rate paying participants: across all dwelling types \$955, \$997 for those in houses, \$899 for those in medium density, \$731 for high density)
- When presented with a range of options for raising revenue, reducing the rate gap between houses and apartments was preferred over options such as selling community halls, or implementing user fees for sporting fields or paid parking.

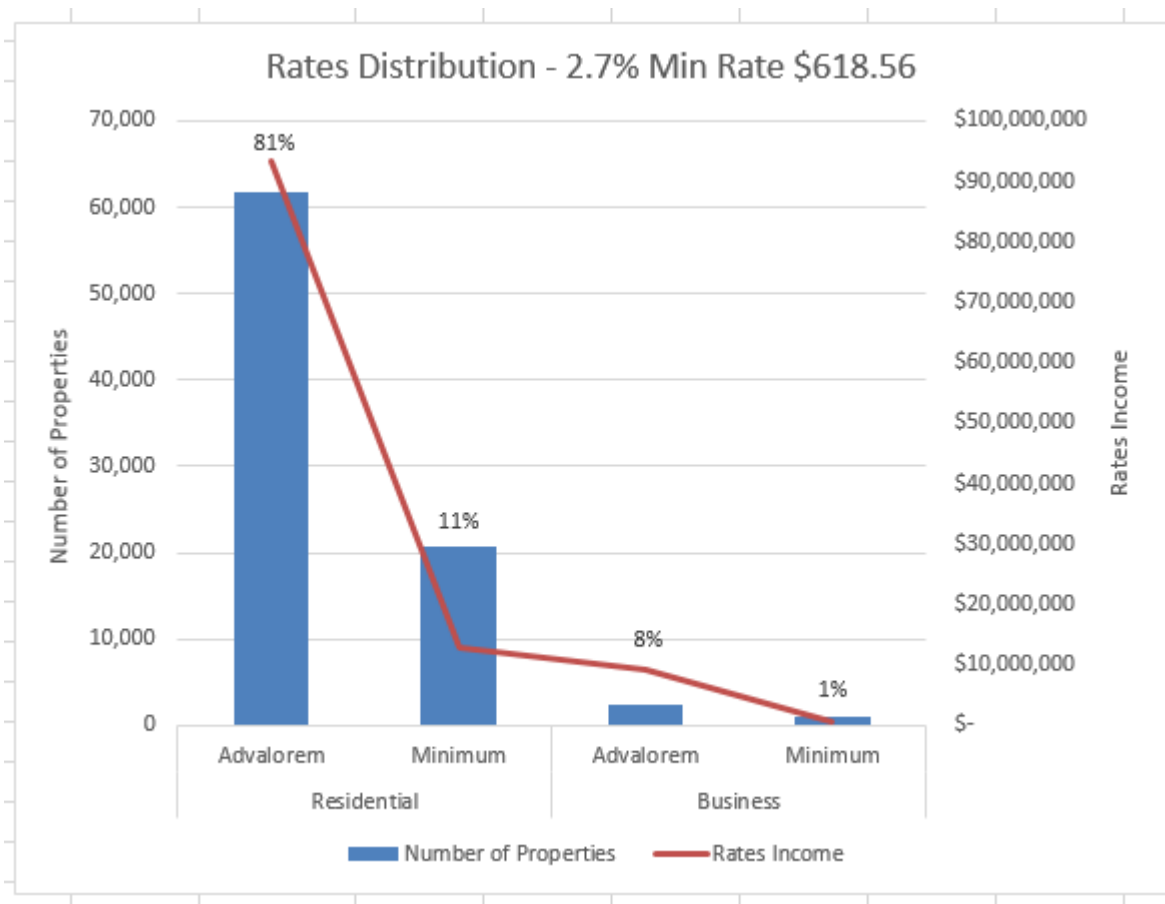
*The full results are contained in the report 'A Shout Out to The Shire: Making Decisions for the Future, Ruby Cha Cha, Dec 2017'*

These findings indicate a willingness to pay an increased rate to address the long term financial challenge.

### **Equitable Distribution of Rates**

Currently just over 25% of properties, both residential and business, are subject to the minimum rate and ongoing development within the Sutherland Shire will be predominantly strata residential properties.

The following graph illustrates the current rate distribution across the Sutherland Shire:



Currently, 24% of properties attract the residential minimum rate, however contribute only 11% of rate income.

Sutherland Shire Council uses the ad valorem, subject to a minimum rate, method of rating. The underlying principle is capacity to pay, with properties that have the higher land values paying the higher amount of rates. This principle has been brought into question in recent times, with high value strata units coming onto the market. There are a number of instances of strata properties selling for much more than a residential dwelling, however being subject only to the minimum rate, whilst a property with the same market value contributes 3.6 times the amount of rates.

To further equalise the rate burden, Council has introduced business sub-category rating within the Rating Structure. The rates attributable to each of the sub-categories is reviewed annually. This has allowed past increases to residential properties on ad valorem rating to experience increases less than the rate peg as the burden is redistributed. Example of this have been:

- 2014/15 the average increase for properties on ad valorem rating was 1.8% as opposed to the 2.3% rate peg,
- 2015/16 the average increase for properties on ad valorem rating was 1.5% as opposed to the 2.4% rate peg.

### **Hardship Policy and Additional Provisions**

Council has introduced a number of initiatives to assist all classes of ratepayers.

Along with both the mandatory pensioner rebate and a voluntary rebate of \$105, Council offers deferral options to all eligible pensioners allowing them to accrue their rates and charges (including interest) against the estate for payment when the property is eventually transferred. It is also Council policy not to pursue any recovery action against pensioners

Council can, and does, enter into payment arrangements with all ratepayers, allowing for periodic payment of the rates. Council offers flexibility in establishing these arrangements with all ratepayers. Council will continue to offer this form of assistance to minimise the impact of any rate increase, along with any ratepayer suffering financial hardship. Again, Council does not undertake recovery action against ratepayers who have a payment arrangement in place.

Consideration will be given to the waiving of interest for all ratepayers who enter into a payment arrangement and satisfy that arrangement if they are subject to hardship, particularly from the proposed SRV.

All payment options are outlined on the rate notices, instalment notices and reminders as follows:

#### **Arrangements to Pay – (OTHER THAN BY QUARTERLY INSTALMENTS) (Section 564)**

- If you cannot meet the payment requirements of this notice, please contact council and make a payment arrangement. If more than one year's rates are levied together then, by special arrangement, interest charges may be waived.

#### **Overdue Amount Payable**

Please be advised that we have not yet received payment of your 4th rate instalment due on 31 May 2018 for the amount of \$■■■. Payment of this instalment is now overdue and required at your earliest convenience to minimise additional interest charges.

Please arrange for full payment by 27 June 2018

If you are experiencing financial difficulties, or unable to pay the full amount, please contact our authorised recovery agency on 1300 556 863 who will work with you to assist in making a payment arrangement.

Council's Hardship Policy is available to all ratepayers through Council's website, and reference in Objective 7.3 of the Long Term Financial Plan.

## 4 Criterion 3: Consultation

In the Guidelines, criterion 3 refers to:

*The consultation the council has undertaken to obtain the community's views on the proposal.*

Councils need to demonstrate that they have conducted adequate consultation with the community about the proposed increases to minimum rates. In general, the consultation should include the broader community as well as the ratepayers directly affected, and provide an opportunity for community feedback on the proposals.

The breadth and depth of the consultation should be commensurate with the size of the proposed increase in rates.

The council should demonstrate that the consultation has been transparent, both in explaining the rationale for the proposal, and the full impact on affected ratepayers. Your consultation information should show:

- ▼ that the proposed minimum rate increase includes the rate peg
- ▼ the proposed increase in the minimum rates in annual terms (and not just in weekly terms)
- ▼ where relevant, the impact on those ratepayers who do not pay the minimum rate, and
- ▼ any change in the proportion of ratepayers on the minimum rate.

Applications are required to explain how the council has consulted with the community, the forms of consultation used, when consultation occurred, which groups were consulted and the feedback gathered.

Include examples of the consultation material that set out the details of the proposed minimum rates.

Sutherland Shire Council implemented a comprehensive community engagement programme to inform the community and key stakeholders about the proposed SRV, and provided a range of ways in which people could provide feedback and have their say on the proposal.

The engagement period was for eight weeks from 10 December 2018 to 4 February 2019 (5pm) – double the minimum required length of consultation by IPART and the Office of Local Government Guidelines (OLG).

The key objective of the engagement program was to ensure that full details of the proposed rate variation (in accordance with IPART and OLG requirements) was communicated through a range of channels and methods to ensure that all in the community were made aware of the proposed rate variation and had the opportunity to provide feedback in a range of ways.

The key messages communicated through the campaign were:

- Who was impacted by the proposal;
- What was the extent of the impact; and
- Why was a variation being considered.

Key documents & materials which formed part of the consultation included:

- Revised draft LTFP (2018 – 2028) which included full details of the proposed increase minimum rates, including the cumulative increases, the rate peg for major category, and the base scenario model without the special variation;
- Detailed Frequently Asked Questions, including sections on the rates model, impacts on ratepayers, IPART process and Council's Hardship policy; and
- IP&R documents including the Community Strategic Plan, Delivery Program & Resourcing Strategy documents.

The following engagement approach was developed and delivered in collaboration with Councillors:

Method	Target Audience/Stakeholder group
Information flyer  (Hard copy and online on dedicated consultation website)	All households in Sutherland LGA  All ratepayers in Sutherland LGA  All community
Dedicated consultation website	All community
Local Media – Print/online <i>The Leader</i> , Sutherland Shire	All community
Community Information Sessions (Held at a variety of days and times to maximise opportunities for attendance)	Community members across all five wards
Social Media (Council's Facebook page)	Digital community
Public Exhibition of key documents (hard copy and online)	Customers attending Council services  Digital community

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Through the consultation people could provide feedback in a variety of ways:

**Survey:** online at the dedicated consultation website, or in person at community information sessions;

**In person:** at community information session or by visiting Council's Customer Service;

**In writing:** addressed to Council/Councillors, hard copy or email; and

**Phone:** phoning Council's Customer Service Centre, or direct to Councillors. Council's rates hotline was also promoted for people to call and discuss their individual circumstances.

People were asked to provide feedback specific to the proposed special rate variation option, but also to provide submissions or feedback on the draft LTFP or other relevant IP&R documents.

#### **Engagement Materials:**

The consultation included a range of documents as listed below.

- Community Information Flyer 'A Fairer Way Forward';
- Community Assets Information Flyer;
- Draft Long Term Financial Plan (2018 – 2028);
- Special Rate Variation Frequently Asked Questions;
- Special Rate Variation Glossary;
- Integrated Planning and Reporting documents (as adopted June 2018);
  - Community Strategic Plan;
  - Delivery Program 2017-2021 and Operational Plan 2018/19;
  - Resourcing Strategy Overview;
  - Resourcing Strategy - Part A;
  - Asset Management Strategy - Part C;
  - Workforce Strategy - Part D;
- Financial Statements;
- Annual Reports; and
- Ratepayers Reports.



These documents were available in hard copy at Council's Customer Service Centre and libraries and at all the Community Information sessions, and online for viewing, download and comment on the dedicated consultation website (\* still published and available for viewing)

<https://jointheconversation.sutherlandshire.nsw.gov.au/Proposed-Special-Rate-Variation>

## Proposed Special Rate Variation (SRV)

### A FAIRER WAY FORWARD

Update: Jan 2019

Thank you to everyone who has already shared their time and feedback either online, over the phone, or in person by attending one of our recent drop in sessions. All feedback and questions received so far have already assisted us to update the information provided in our FAQs and we will continue to revise these as your feedback comes in to ensure the most relevant information is available.

#### Overview

Sutherland Shire Council's rates model hasn't changed in decades. Council has now reviewed this model and is proposing a fairer way forward for our community.

Council's services are available for the whole community to utilise and enjoy, and as a community everyone needs to share the costs fairly.

The Long Term Financial Plan (LTFP) is one of our key planning documents that outlines how we are working towards financial sustainability. The draft consultative LTFP details the rates model that is under consideration and the efficiency targets we are working towards. You can view the draft consultative LTFP document [here](#) and we welcome your feedback.

Council's current rate structure is based upon land value only, not the market value (land and dwelling). A minimum rate is applicable for most units and apartments, and some villas, town houses and duplex - this is currently set at \$602. For the majority of these dwelling types in the Sutherland Shire, this amount is significantly less than houses of comparable market value. The proposal is to raise the minimum to \$900.

We will look at ways to minimise the impact on those in our community experiencing hardship.

**We want to hear what you think about the proposed model as outlined in the draft Long Term Financial Plan, along with any suggestions for improvements that you may have.**

The community consultation will close at 5pm, Monday 4 February 2019.

#### COMMUNITY FEEDBACK

### Community feedback

We want to hear what you think about the proposed change to the rates model.



#### Ways to get involved

All ratepayers will be informed of the possible SRV by letterbox drop and in the Rates Notice delivery. You will be able to provide your feedback in a variety of ways and no later than 5pm, on Monday 4 February 2019:

#### Online

In the Feedback box below.

#### In writing to

The General Manager, Sutherland Shire Council,  
Locked Bag 17, Sutherland 1499

#### Phone

02 9710 0333

#### Community Drop-in Sessions

**Monday 17 December 2018, 12pm-2pm**

Sutherland Shire Library, 30-36 Belmont Street,  
Sutherland.

**Tuesday 18 December 2018, 10pm-12pm**

Menai Library, Menai Centre Allison Cres, Menai.

**Friday 11 January 2019, 12pm-2pm**

Engadine Library, 116E Caldarra Avenue, Engadine.

**Saturday 12 January 2019, 10am-12pm**

Southgate Shopping Centre, Port Hacking Rd,  
Sylvania.

**Saturday 12 January 2019, 11am-1pm**

Cronulla Library, Cronulla Central, Croydon St  
Cronulla.

**Tuesday 15 January 2019, 12pm-2pm**

Menai Library, Menai Marketplace Allison Cres, Menai.

**Thursday 17 January 2019, 5pm-7pm**

Cronulla Library, Cronulla Central, Croydon St,  
Cronulla.

**Friday 18 January 2019, 12pm-2pm**

Miranda Library, 31 Wandella Rd, Miranda.

**Saturday 19 January 2019, 10am-12pm**

Caringbah Library, 376-378 Port Hacking Rd,  
Caringbah.

### Dedicated Consultation Page

Examples of Engagement Materials are included below and detailed in full at Attachment 4





There are currently 20,531 residential unit/apartment owners paying the current minimum rate of \$602.30 – which represents 25% of total rate paying households in the Sutherland Shire.

Under the proposed new model, 33% of total rate paying households will pay the new minimum.

Owners of detached dwellings, or units, town houses or villas that already pay more than \$900 will only experience a rate increase by the rate peg amount set by IPART of 2.7%.

If you would like further clarification on the impact of the special rate variation on your rates, please give us a call on (02) 9710 0585 and we will be able to provide you with an answer for your specific circumstances.

When preparing the Financial Strategy and Long Term Financial Plan, a key factor taken into consideration was the socio-economic profile of the Sutherland Shire Local Government Area. With rates, annual charges, and user fees and charges making up the majority of Council's total revenue, it is important that the capacity to pay is one of those factors. To view Council's summary analysis of Sutherland Shire's Socio-Economic profile, see our [Addendum Socio-Economic profile](#).

**Sutherland Shire Council**  
November 28, 2018 · 🌐


Council this week decided to consider looking at our current rates model as one way to address the financial challenges we are facing including the rising costs of maintaining and renewing community assets and providing services into the future.

Soon we will be seeking your feedback on a proposal to consider an increase in rates for units and apartments in Sutherland Shire above the minimum rate currently applied.

No decision has been made yet on a rates increase, and over the coming months we will provide opportunities for you to give feedback on the proposed rate model.

We will also provide a one stop destination for all of the information and how you can have your say – so please stay tuned!

To view the minutes from the Council meeting click here: [bit.ly/2BCIz6](http://bit.ly/2BCIz6)



**Sutherland Shire Council**  
Government Organization

**5,871**  
People Reached

**1,355**  
Engagements

[Call Now](#)

**Sutherland Shire Council**  
January 7 at 10:00 AM · 🌐

**Proposed Special Rate Variation Community Drop-in Sessions.**

If you would like the opportunity to discuss and provide feedback on the Proposed Special Rate Variation, we will be holding a number of community drop-in sessions for residents.

It's a chance for you to have your say, speak with your elected Councillors and have your questions answered. ... [See More](#)





**3,240**  
People Reached

**333**  
Engagements

*Social Media posts on Council's Facebook page*

**SUTHERLAND SHIRE**

## A FAIRER WAY FORWARD

Sutherland Shire Council's rates model hasn't changed in decades. Council has now reviewed this model and is proposing a fairer way forward for our community. We want to hear what you think about the proposed new model. For full details about the proposal and to provide your feedback visit the Join the Conversation page: [bit.ly/srvSSC](http://bit.ly/srvSSC)

Council's Long Term Financial Plan (LTFP) is one of our key planning documents which outlines how we are working towards financial sustainability and details the rates model that is under consideration and the efficiency targets we are working towards. To view the draft LTFP and provide your feedback, go to Join The Conversation or attend one of our community drop-in sessions.

**GET INVOLVED, HAVE YOUR SAY!**  
**UPCOMING COMMUNITY DROP IN SESSIONS**

It's a chance for you to have your say, speak with Councillors and have your questions answered.

- **Thursday 17 January 2019, 5pm-7pm**  
Cronulla Library, Cronulla Central, Croydon St, Cronulla.
- **Friday 18 January 2019, 12pm-2pm**  
Miranda Library, 31 Wandella Rd, Miranda.
- **Saturday 19 January 2019, 10am-12pm**  
Caringbah Library, 376-378 Port Hacking Rd, Caringbah.
- **Saturday 19 January 2019, 11am-1pm**  
Sutherland Library, 30-36 Belmont St, Sutherland.
- **Thursday 24 January 2019, 5pm - 7pm**  
Southgate Shopping Centre, Port Hacking Rd, Sylvania.

For a full list of all consultation sessions and ways to provide your feedback, visit Join The Conversation [bit.ly/srvSSC](http://bit.ly/srvSSC)

For Council Meeting minutes and business papers visit:  
[sutherlandshire.nsw.gov.au/Business-Papers](http://sutherlandshire.nsw.gov.au/Business-Papers)  
 T 02 9710 0333 [sutherlandshire.nsw.gov.au](http://sutherlandshire.nsw.gov.au)

*Newspaper Advertisement (Print & online, 16/1/19)*





### *Community Information Sessions*

#### **Other informing research and consultation:**

Whilst a specific community engagement programme was conducted between 10<sup>th</sup> December 2018 and 4<sup>th</sup> February 2019, other key informing community research also included:

As detailed in IPART Application Special Variation Form, between 2016 and 2018 Council undertook a series of key, statistically valid community research and consultation around asset and service priorities and the financial sustainability challenges identified in Council's LTFF. This ongoing research was key to both understanding the communities priorities and expectations across Council's asset and service portfolio, exploring the communities preferences/sentiment around a range of financial strategies to address this challenge, and importantly, to raise awareness and inform the community about the financial challenge and growing asset backlog.

The results of these research and consultations was reported to Councillors through Council meetings, workshops and briefings, and informed their considerations around resourcing strategy options.

Results of the consultation are reported in section 4.2 and attachment 5 of the Special Variation Form

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## 5 Council resolution

Has the council resolved to apply to IPART to increase minimum rates in 2019-20? **No, following advice from IPART**

If so, please attach a copy of the council's resolution to make the minimum rate application.

Note, the Guidelines do not require a council to resolve to apply to IPART prior to making an application. However, it is good practice to do so.

## 6 Checklist of attachments

Check that you have attached the following documents to your application.

Item	Included?
Part A Application form (Excel spreadsheet)	<input checked="" type="checkbox"/>
Part B Application form (Word) - this document	<input checked="" type="checkbox"/>
Extract of Delivery Program	<input checked="" type="checkbox"/>
Hardship Policy	<input checked="" type="checkbox"/>
Consultation material	<input checked="" type="checkbox"/>
Resolution to apply for the proposed minimum rate increase	N/A
Other supporting material	N/A

Councils are responsible for ensuring that all relevant extracts or documents have been submitted with your application.

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## 7 Certification

The General Manager and the Responsible Accounting Officer are required to complete the following certification form (over).




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## APPLICATION TO INCREASE MINIMUM RATES ABOVE THE STATUTORY LIMIT

**Name of Council:** Sutherland Shire Council

**We certify that to the best of our knowledge the information provided in this application is correct and complete.**

**Acting General Manager (name):** Manjeet Grewal

**Signature/date:**  19/02/2019

**Responsible Accounting Officer (name):** Greg Hayes

**Signature/date**  19/02/2019

Once completed, please scan the signed certification and attach it as a public supporting document online via the Council Portal on our website.